

1 ABBEY, WEITZENBERG, WARREN & EMERY, P.C.
2 RICHARD W. ABBEY, ESQ. (SBN: 053039)
3 RACHEL K. STEVENSON, ESQ. (SBN: 172525)
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5 Post Office Box 1566
6 Santa Rosa, California 95402-1566
7 Telephone No.: (707) 542-5050
8 Facsimile No.: (707) 542-2589
9 rstevenson@abbeylaw.com

10 Attorneys for Creditor/Moving Party
11 Sterling Savings Bank, Successor In Interest By Merger To Sonoma National Bank
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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

29 In Re: Case No. 09-58098 ASW 11
30 TV-32 DIGITAL VENTURES, INC., a Chapter 11
31 California corporation, R.S. No. RKS/002
32 Debtor. Date: March 28, 2011
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1 3. Pre-Hearing Statement filed by the Debtor herein on March 3, 2011 (Docket No.
2 115). (*A true and correct copy of this document is attached hereto as Exhibit "C."*)
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5 Dated: March 9, 2011

ABBEY, WEITZENBERG,
WARREN & EMERY

6
7 By: /s/ Rachel K. Stevenson
8 Rachel K. Stevenson
9 Attorneys for Sterling Savings Bank
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EXHIBIT “A”

In re TV-32 DIGITAL VENTURES INC.
Debtor

Case No 09-58098 ASW 11

(If known)

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS

State the name, mailing address, including zip code and last four digits of any account number of all entities holding claims secured by property of the debtor as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests.

List creditors in alphabetical order to the extent practicable. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Total the columns labeled "Amount of Claim Without Deducting Value of Collateral" and "Unsecured Portion, if Any" in the boxes labeled "Total(s)" on the last sheet of the completed schedule. Report the total from the column labeled "Amount of Claim Without Deducting Value of Collateral" also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report the total from the column labeled "Unsecured Portion, if Any" on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See Instructions Above.)	CODEBTOR	HUSBAND, WIFE, JOINT OR COMMUNITY	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL			UNSECURED PORTION, IF ANY
				CONTINGENT	UNLIQUIDATED	DISPUTED	
ACCOUNT NO.			Lien: UCC Financing Statement Security: Security equipment including Centurion Kit, door strikes, locks, access cards, controllers, etc.		X		Unknown
Security Signal Devices, Inc. 1740 N. Lemon St. Anaheim, CA 92801-1007			VALUE \$ 0				Unknown
ACCOUNT NO. Loan # PCL 89985940-07	X		Incurred: August 2005 Lien: Deed of Trust Security: Commercial building and television production monitoring and control equipment				1,641,210
Small Business Administration c/o Capital Access Group 150 California Street, Suite 250 San Francisco, CA 94111			VALUE \$ 4,500,000				0
ACCOUNT NO. Loan # 498134998	X		Incurred: August 2005 Lien: Deed of Trust Security: Commercial building and television production monitoring and control equipment				2,125,991
Sonoma National Bank 801 Fourth Street Santa Rosa, CA 95404			VALUE \$ 4,500,000				0

0 continuation sheets attached

Subtotal ► (Total of this page)	\$ 3,767,201	\$ 0
Total ► (Use only on last page)	\$ 3,767,201	\$ 0

(Report also on
Summary of Schedules) (If applicable, report
also on Statistical
Summary of Certain
Liabilities and Related
Data.)

EXHIBIT “B”

1 MELINDA HAAG (CABN 132612)
2 United States Attorney
2 JOANN M. SWANSON (CABN 88143)
3 Chief, Civil Division
3 EDWIN L. JOE (CABN 112328)
4 Special Assistant U.S. Attorney

5 455 Market Street, Suite 600
6 San Francisco, California 94105-2420
7 Telephone: (415) 744-8494
7 Facsimile: (202) 481-1810 or (415) 744-6812
8 Email: Edwin.Joe@sba.gov

8 Attorneys for the United States of America, and its
9 Agency, the U.S. Small Business Administration

10
11 UNITED STATES BANKRUPCTY COURT
12 NORTHERN DISTRICT OF CALIFORNIA
13 SAN JOSE DIVISION

14 In re:) Bk. No. 09-58098 ASW
15 TV-32 DIGITAL VENTURES, INC., a) Chapter 11
16 California Corporation,) Date: March 9, 2011
17 Debtor.) Time: 10:45 AM
18) Place: 280 S. 1st St., San Jose, CA
19) Ctrm: 3020, 3rd Floor
19) Hon. Arthur S. Weissbrodt
19)

20 Pre-Hearing Statement

21 The U.S. Small Business Administration, an agency of the United States of
22 America (hereinafter "SBA"), presents its prehearing statement as requested by the court
23 at the prior status conference on February 4, 2011.¹

24
25 ¹ SBA has made best efforts to obtain a timely response, so that TV-32 Digital Ventures,
26 Inc (hereinafter "TV-32") could timely review and file a joint statement. However,
27 Capital Access Group and SBA only concurred late March 1, 2011. A "Draft" Joint Pre-
28 Hearing Statement was sent to TV-32 counsel, Matthew Shier today in the early
afternoon. He informed me that upon completing a mediation session, he timely

A. Current Status

Capital Access Group (“CAG”), the servicing agent of SBA, received the additional information from TV-32. Both CAG and SBA have conferred regarding both (i) the proposed changes to the Chapter 11 plan and (ii) possible Offer in Compromise to be funded by non-debtor assets. CAG and SBA have both decided to decline to accept either. No additional negotiations are anticipated.

B. Plan confirmation issues – Insufficient Cash Flow

SBA has not changed its position that there is insufficient cash flow to support the latest revised proposed Chapter 11 plan from TV-32.

C. Contingent Liability of Arlene Stevens – SBA Guarantee by Arlene Stevens

The plan does not provide for the full satisfaction of SBA lien such that the contingent liability and guarantee of Arlene Stevens is fully resolved.

Dated: March 2, 2011

UNITED STATES OF AMERICA
U.S. SMALL BUSINESS ADMINISTRATION

/s/ Edwin L. Joe
Edwin L. Joe
Special Assistant U.S. Attorney

TV-32

forwarded it to his client at about 1:00 pm by email. However, he has not received any reply as yet.

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Dated: March 2, 2011

(NOT SIGNED)

Matthew J. Shier
Attorney for Debtor
Pinnacle Law Group, LLP

Proof of Service By Mail

I declare that:

I am employed in the City and County of San Francisco, State of California. I am over the age of eighteen years and not a party to the within action. My business address is United States Small Business Administration, 455 Market Street, 6th Floor, San Francisco, CA 94105-2420. I am readily familiar with the business practices of this office for collection and processing of correspondence by mailing with the United States Postal Service.

On March 2, 2011, I served the within:

Pre-Hearing Statement

on the parties addressed as shown below in said cause by placing a true and correct copy thereof in sealed envelopes for collection and mailing pursuant to the ordinary business practice of this office whereby correspondence for mailing is collected, postage is prepaid and depositing with the United States Postal Service on the same day at San Francisco, California.

[See Attached Mailing List]

I declare under penalty of perjury under Federal law and laws of the State of California that the foregoing is true and correct and that this declaration was executed on March 2, 2011, at San Francisco, California.

Eric Adams

Service List

TV-32 Digital Ventures, Inc. Debtor
1010 Corporation Way
Palo Alto, CA 94303-4304

Booker T. Wade
1010 Corporation Way
Palo Alto, CA 94303-4304

Matthew J. Shier
Pinnacle Law Group
425 California Street, #1800
San Francisco, CA 94104

Office of the U.S. Trustee/SJ U.S. Trustee
U.S. Federal Building
280 S. 1st Street, #268
San Jose, CA 95113-3004

Arlene Stevens
P.O. Box 51310
Palo Alto, CA 94303 Creditor

ABBEY, WEITZENBERG, WARREN & EMERY, P.C. Creditor
Rachel K. Stevenson
100 Stony Point Road, Ste. 200
Post Office Box 1566
Santa Rosa, California 95402-1566

EXHIBIT “C”

1 MATTHEW J. SHIER (SBN: 72638)
2 PINNACLE LAW GROUP LLP
3 425 California Street, Suite 1800
4 San Francisco, CA 94104
5 Telephone: (415) 394-5700
6 Facsimile: (415) 394-5003

7
8 Attorneys for
9 TV-32 DIGITAL VENTURES INC.,
10 Debtor and Debtor-in-Possession

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

11 In re:	Case No. 09-58098 ASW 11
12 TV-32 DIGITAL VENTURES INC., a	Chapter 11
13 California corporation, Tax ID: 20-1198608	DEBTOR'S PRE-HEARING STATEMENT
14 Debtor.	Date: March 9, 2011 Time: 10:45 a.m. Courtroom: 3020, 3 rd Floor The Honorable Arthur S. Weissbrodt

17 TO: THE HONORABLE ARTHUR S. WEISSBRODT, UNITED STATES BANKRUPTCY
18 JUDGE:

19 TV-32 DIGITAL VENTURES INC., Debtor and Debtor-in-Possession (the "Debtor") has
20 no factual basis to dispute the matters set forth in the SMALL BUSINESS
21 ADMINISTRATION's Pre-Hearing Statement (Docket No. 114).

22 WHEREFORE, the Debtor respectfully submits that the Court should make such orders as
23 it deems appropriate.

24 Dated: March 3, 2011

PINNACLE LAW GROUP LLP

25
26 By: /s/ Matthew J. Shier

27 Matthew J. Shier, Attorneys for
28 TV-32 DIGITAL VENTURES INC., Debtor
and Debtor-in-Possession

CERTIFICATE OF SERVICE

I am employed in the office of a member of the bar of this Court in the City and County of San Francisco, at whose direction this service was made. I am over the age of 18 and not a party to the within action. My business address is 425 California Street, Suite 1800, San Francisco, California 94104.

On March 3, 2011, I served the documents described as:

DEBTOR'S PRE-HEARING STATEMENT

on the interested parties in this action by placing [] the original [X] true copies thereof enclosed in sealed envelopes addressed as follows:

Arlene Stevens
P.O. Box 51310
Palo Alto, CA 94303
Phone: 650-814-4146

Arlene D. Stevens
3575 Tripp Road
Woodside, CA 94062-3635

MELINDA HAAG
United States Attorney
JOANN M. SWANSON
Chief, Civil Division
EDWIN L. JOE
Special Assistant U.S. Attorney
455 Market Street, Suite 600
San Francisco, California 94105-2420
Email: Edwin.Joe@sba.gov

U.S. Small Business Administration
455 Market Street, 6th Floor
San Francisco, CA 94105-2449

Attention: CHAMBERS COPIES
The Honorable Arthur S. Weissbrodt
United States Courthouse, Room 3020
280 South First Street
San Jose, CA 95113-3099

TV-32 DIGITAL VENTURES INC.
c/o Booker T. Wade
605 Forest Avenue
Palo Alto, CA 94301

U.S. MAIL: Service was accomplished by placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, in the United States mail at San Francisco, California, addressed as set forth above.

BY E-MAIL/NEF: Service was accomplished through the Notice of Electronic Filing ("NEF") for parties and counsel who are registered ECF Users.

Office Of The United States Trustee
USTPRegion17.SJ. ECF@usdoj.gov,
ltroxas@hotmail.com

I declare under penalty of perjury under the laws of the United States of America, that the foregoing is true and correct. Executed on March 3, 2011, at San Francisco, California.

/s/ Mike Terry
MIKE TERRY